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ABSTRACT

This report looks at the unemployability of today's poorest welfare recipients, homeless families, and explores avenues for overcoming their obstacles to gainful employment. These impediments cannot be addressed with traditional job training or immediate placement. Instead, it is job readiness (skills, knowledge, and work ethic) combined with education that is the key to equipping all welfare recipients with skills and knowledge necessary for meaningful, permanent full-time employment. The homeless mother receiving welfare typically has not completed high school, reads at a sixth-grade level, has never worked, and bears sole responsibility for her young children. The fewer than 4 in 10 who have worked have had part-time, short-term, and almost exclusively low-wage sector positions. The provision of job training has been the routine response to welfare dependence, but standard training programs usually require basic literacy skills that homeless welfare recipients do not have. In addition to maintaining unrealistic eligibility standards, most training programs focus almost exclusively on teaching work skills. Few offer child care and transportation assistance, and most traditional employment training does not really result in jobs that lead to self-sufficiency. Breaking the multigenerational cycle of poverty, lifetime dependence, and homelessness requires education that moves beyond skill-building and into job readiness, incorporating academic skill development into comprehensive programs that address the multiple needs of recipients. (Contains three tables and three figures.) (SLD)

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Homes for the Homeless

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Common Sense

Why jobs and training alone won't end welfare for homeless families

With the advent of welfare reform, its proponents anticipate that millions of Americans chronically dependent on public assistance will be set free. In reality, far too many welfare recipients are trapped in a web of poverty from which they are incapable of escaping. Today, over a third of all welfare recipients are single, poorly-educated mothers with little or no work experience.[1] Worse yet, extreme poverty has forced 600,000 of these families into homelessness. Common sense dictates that unless the states, in their new role as leaders in welfare innovation, immediately forge strategic policy, these women and their children—yet another generation—will sink deeper into poverty and dependence.

While recent federal welfare reform legislation and state-level initiatives such as those piloted in Michigan, New Jersey and Wisconsin aim at fostering independence, they are misguided. Benefit reductions, eligibility restrictions, time limits, and family caps imposed in these and other states have merely distracted the public while reducing neither poverty nor expenses.

Employment, in particular, has been hailed as the "silver bullet"—the cure-all capable of eliminating welfare dependence and restoring to the public a sense that all Americans are earning an "honest dollar." Although insistence on immediate employment already receives criticism for leading participants only into dead-end, low-paying jobs, current employment initiatives continue to miss a basic yet essential point of welfare dependence: *a growing number of recipients do not even meet the minimum requirements necessary to participate in an employment training program, let alone secure continuous employment.*

The following report looks at the unemployability of today's poorest welfare recipients—*homeless families*—and explores avenues for overcoming their obstacles to gainful employment. These impediments cannot be addressed with traditional job training or immediate placement. Rather, it is job-readiness* combined with education that is the key to equipping *all* welfare recipients with the skills and knowledge necessary for meaningful, permanent full-time employment.

No Experience, No Job, No Education, No Future

Today's homeless mother receiving Aid to Families with Dependent Children (AFDC) typically has not completed high school, reads at the sixth grade level, has never worked and bears sole responsibility for her very young children (See Table 1). For the fewer than four in ten who have worked, jobs have been part-time, short-term and almost exclusively low-wage service sector positions. Very few of these women acquired the skills necessary to advance to positions with higher salaries, increased responsibility and job security.[2]

Homeless mothers' overall youth and relative inexperience in managing the day-to-day obligations of money, family and home complicate their route to self-sufficiency

Table 1:
Homeless Mothers and Working Women: A Comparison

Characteristic	Homeless Mothers	Working Women
Married	9%	55%
Under age 25	69%	17%
Completed High School	36%	89%
Have children under age 6	80%	17%

Source: Institute for Children and Poverty, U.S. Bureau of the Census

*Job-readiness, as it is used throughout this paper, is defined as the skills, knowledge and work ethic necessary for successful long-term employment, including developing time management skills, learning to take direction and responding to supervision.

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even further than does their lack of work experience. What is more, service providers working with homeless families consistently report a disturbing prevalence of domestic violence, alcohol and substance abuse and poor health.[3] These many difficulties, compounded by the traditional hurdles of child care and transportation, make the challenge of moving homeless mothers into employment monumental.

Employment Training . . . *. . . Is It The Answer?*

The provision of job training has been the routine response to welfare dependence. Yet traditional training programs typically require that participants have a high school diploma, read at least at the eighth grade level and already possess basic work skills.[4] Lacking even fundamental skills, such as reading, writing and arithmetic, homeless welfare recipients are unable to qualify for—much less succeed in—standard training programs (See Table 2).

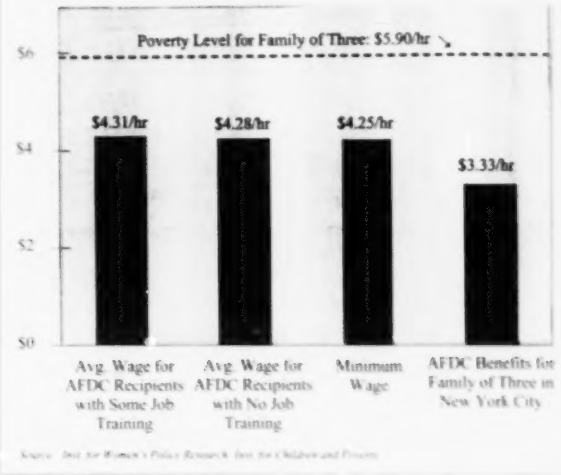
In addition to maintaining unrealistic eligibility standards, most training programs focus almost exclusively on teaching work skills. While some offer crucial job placement services, few offer child care and transportation assistance, and virtually none offer all three. Worse still, the vast majority offer *no* services aimed at addressing the multiple and extreme needs of homeless participants, effectively nullifying a mother's ability to take full advantage of training.

Table 2: Why Job Training Rarely Works

The typical job training program requires that participants:	The typical homeless head-of-household:
• *be job-ready*	• *has no work experience*
• *have a high school diploma*	• *has a 10th grade education*
• *read at the 8th grade level or better*	• *reads at the 6th grade level*
• *possess basic skills, such as typing*	• *has few employable job skills*
• *provide their own daycare*	• *has limited access to daycare*
• *have no substance abuse history*	• *has a substance abuse history*
• *provide their own transportation*	• *can not afford transportation*
• *have a permanent address*	• *has no permanent address*

Source: Jobs for Children and Poverty, National Governor's Association

Figure 1: Comparison of Hourly AFDC, Minimum, and Poverty Level Wages



Source: Jobs for Women's Policy Research, Jobs for Children and Poverty

For the most part, a mother's options result in the same outcome—an income that keeps her and her children far below the poverty line.

Perhaps most discouraging, employment training—already a significant undertaking for any single mother—does not necessarily lead to jobs that result in self-sufficiency. A recent study found that AFDC recipients who participated in training and then secured jobs made only *three cents* more per hour than those without any training (See Figure 1).[5] Not surprisingly, new jobs for the trained and the untrained alike are primarily in the low-paying service industries—food, cleaning, and personal services.[6]

While traditional employment training offers little hope for homeless mothers, the alternative—looking for work with no marketable skills—is even more grim. Unskilled workers face a shrinking demand for their services as the work world becomes increasingly automated and technologically sophisticated. New York City alone lost over 175,000 entry-level and blue-collar jobs in the 1980s; further declines are anticipated in the future.[7] In Illinois, there are seven job-seekers for every entry-level job paying poverty wages and 222 job-seekers for every entry-level job paying the Illinois *livable* wage.[8] Clearly, for a growing class of poor Americans jobs are unattainable and independence is a lofty ideal (See Figure 2).

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The Route to Independence:
From Public Assistance to Job-Readiness, Further Education and a Future

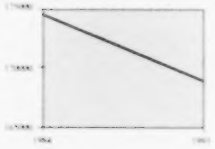
Breaking the multi-generational cycle of poverty, lifetime dependence and homelessness demands a policy response that is radical in design, yet steeped in common sense and historical knowledge. An aggressive dual strategy premised on both job-readiness and education is the key to freeing today's recipients—*and tomorrow's*—from continued dependence.

Traditional employment training must be revamped to move beyond skill-building and into job-readiness. Job-readiness programs ensure that participants graduate not only with an understanding of the basic skills needed for work, but with an ability to integrate work into their lives. Following literacy training, adult basic education, General Equivalency Diploma preparation and employment workshops, on-the-job internships immerse participants in a simulated work environment and orient families toward the goal of independent, self-sustaining lives. Essential job search assistance, placement and post-placement follow-up then enable welfare recipients to make the transition to work. Mentoring, support services, child care and transportation also must be integrated into this continuum of programming to ensure uninterrupted participation. Only through such a comprehensive design will long-term dependents reach the point where they are job-ready—armed with the confidence and the will to lead their children to a better life. In short, ready to be permanently employed.

Figure 2: Changing Times and Trends [9]

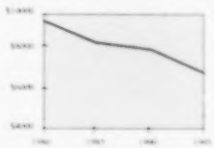
Decrease in Number of Entry-Level Jobs*

New York City, 1984 - 1993



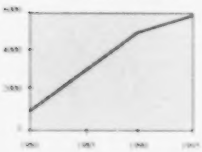
Maximum AFDC Benefits for a Family of Three**

New York City, 1980 - 1995



Increase in Number of Homeless Families

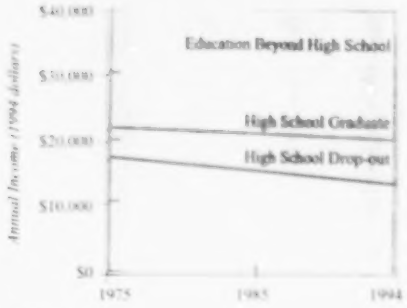
New York City, 1980 - 1995



Over the last fifteen years, the number of available entry-level positions has shrunk, the real value of AFDC benefits has dropped and the number of homeless families has skyrocketed.

*Specifically, jobs that AFDC recipients are most likely to obtain, as noted by the Inst. for Women's Policy Research.
** In 1995 dollars.

Figure 3: The Education Factor — A Growing Gap, 1975 - 1994



Source: U.S. Bureau of the Census

Now more than ever, education opens the door to opportunity.

While promising indicators suggest that existing job-readiness programs already have the capability to place participants in secure employment, the benefits of job-readiness are multiplied when it is linked to continuing education.[10] Although job-readiness instills essential work-place skills, the academic training provided by vocational school, community college or other instutions of higher education teaches recipients how to think critically and problem solve. This preparation is essential in today's competitive work world, and is in reality the only answer to the declining opportunities open to the uneducated. While women with no high school degree have seen their salaries stagnate and actually have suffered a decrease in earning power over the last twenty years, women with a high school degree or better have increased their average earnings by between 10 and 25 percent (See Figure 3).[11]

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A Common Sense Solution

To move off of public assistance, homeless welfare recipients must use job-readiness as a springboard to more education. By emphasizing personal responsibility and the benefits of self-determination, job-readiness prepares individuals for the rigors of continuing education—a preparation they clearly cannot afford to do without.

Job-readiness and education programs already have been piloted successfully at homeless shelters and multi-service centers around the country and are now poised for replication and expansion. Once similar programs are fully embraced, infinite possibilities emerge for successful state-level welfare reform: time limits can be imposed that require recipients to earn their associate's degree or its equivalent within 24 to 36 months; participation in work-study can be mandated to further prepare them for employment and to satiate the public's demand that recipients work for their check; and rather than a punitive family cap denying additional benefits to welfare mothers who have more children, job-readiness and schooling can encourage mothers to establish goals and direction—a natural incentive for family planning and the postponement of further childbearing (See Table 3).

Just as most welfare recipients must cross a threshold to overcome their lack of skills and their inability to enter the job market, public policy that aims to end welfare dependence also must cross a threshold to bold, creative and workable strategies. Through an understanding of the needs, limitations and barriers confronting the most disadvantaged welfare recipients—homeless mothers—every one of the fifty states can create policy to redirect the path of all those dependent on public assistance.

Over 200 years ago in *Common Sense*, Thomas Paine wrote, "We have it in our power to start the world over." With federal welfare reform in place, the time to restart is now. By focusing on a common sense policy of job-readiness and education, states can break the chains of poverty and dependence and forge a new social contract ensuring responsibility, employability, opportunity and independence for all. We *can* end welfare as we know it.

Table 3: A Prescription for Timely Action

Option 1: Family cap; mandated workfare; and 24- to 36-month time limit imposed on families on welfare.

Outcome: No skills; no job with sustainable income; no money to support children and no hope for change.

Option 2: Families on welfare are placed on a mandated job-readiness/education track with a 24-month time limit for receiving benefits.

Outcome: Skills; preparation for higher education; job with livable wages; support and positive role modeling for children.

Notes

1. LaDonna Pavetti, "Who is Affected by Time Limits?" *Welfare Reform Briefs*, No. 7 (Washington DC: Urban Institute, May 1995) p.3.
2. For more detail on homeless mothers' employment see *The New Poverty: Homeless Families in America* by Ralph Nunez (New York: Insight Books, 1996).
3. U.S. Department of Housing and Urban Development, *Priority: Home! The Federal Plan to Break the Cycle of Homelessness* (Washington, DC: U.S. Government Printing Office, 1994) p.25.
4. Wendy Adler and John Lederer, "Barriers, Real and Imagined: Providing Job Training for the Homeless Through JTPA," in *Labor Notes: Homeless in America: Self-Sufficiency Through Employment and Training Programs*, National Governor's Association, Center for Policy Research (Washington DC: National Governor's Association, July 1991) p.7.
5. Institute for Women's Policy Research, *Welfare that Works: The Working Lives of AFDC Recipients* (Washington DC: Institute for Women's Policy Research, 1995) p.49.
6. Institute for Women's Policy Research, 1995, p.49.
7. Alan G. Hevesi, *Cuts Without Care: The Likely Impact on the City of State Budget-Cut Proposals* (New York: New York City Office of the Comptroller, April 25, 1996) p.52.
8. Virginia Carlson and Nikolas Theodore, *Are There Enough Jobs? Welfare Reform and Labor Market Reality* (Chicago: Illinois Job Gap Project, December 1995) p.11.
9. Sources of data: *Jobs* (NYS Dept. of Labor, 1996; Inst. for Women's Policy Research, 1995); *Benefits and Homelessness* (NYC Human Resources Administration, 1996).
10. Nunez, *The New Poverty*, Chapter 6.
11. Rebecca Blank, "Outlook for the U.S. Labor Market and Prospects for Low-wage Entry Jobs" in *The Work Alternative: Welfare Reform and the Realities of the Job Market*, Demetra Smith Nightingale and Robert H. Haveman, eds. (Washington DC: The Urban Institute Press, 1994) p.42; U.S. Bureau of the Census, 1995.

Homes for the Homeless (HFH) is the largest operator of *American Family Inns*—residential educational employment training centers—for homeless families in New York City. The **Institute for Children and Poverty** is HFH's research and training division. Homes for the Homeless' facilities include:

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